



State of California

# Employment Training Panel

Arnold Schwarzenegger, Governor

May 16, 2008

Philip Tan, CFO  
UAW Labor Employment and Training Corporation (LETC)  
790 East Willow Street, Ste. 150  
Long Beach, CA 90806

Dear Mr. Tan,

RE: **FINAL MONITORING REPORT** for **UAW LETC XXXV (ET06-0196)**

<b>Date of the Visit:</b>	05/16/08
<b>Beginning/Ending Time:</b>	9:30 a.m. – 12:30 p.m.
<b>Date of Last Visit:</b>	08/03/07
<b>Visit Location:</b>	UAW LETC Long Beach facility
<b>Persons in attendance:</b>	Audrey Holmes, VP/COO, UAW LETC Marika Letkova, ETP Coordinator, UAW LETC Marie Lee, ETP Administrator, UAW LETC Margarita M. Paccereilli, Contract Analyst, ETP
<b>Action Required:</b>	Yes

## **CONTRACT INFORMATION:**

<b>Term of Agreement:</b>	04/17/06 – 04/16/08	<b>Agreement Amount:</b>	\$246,426
<b>Training Start Date:</b>	04/17/06	<b>No. to Retain:</b>	180
<b>Date Training must be Completed:</b>	01/17/08	<b>Range of Hours:</b>	24 – 120
<b>Type of Trainee:</b>	Retrainee	<b>Weighted Ave. Hours:</b>	61

## **FINAL REPORT SUMMARY**

### **• HISTORY OF AGREEMENT CHANGES**

The Agreement was executed on March 6, 2006 and training began on April 17, 2006. Your project staff reported that all training was completed on December 6, 2007, which allowed for the retention period to be completed within the term ending date of the Agreement - April 16, 2008

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- **FINAL PROJECT STATISTICS**

Based on the project statistics provided to the Analyst during this visit, there are 226 trainees who completed training and the retention period. This number exceeds the maximum trainees that ETP will reimburse in this Agreement. Your staff understands that UAW will only be reimbursed up to 222 trainees as listed on Chart 1, Exhibit A. Therefore, the projected earning in this Agreement is 100% of the contract amount (\$246,426). Since UAW has been paid \$207,834 to date, your company will receive an additional \$38,592, if the anticipated number to retain is verified during the final fiscal closeout.

Projected earnings were calculated based on the current statistics obtained from the ETP Online Tracking System as follows:

Job #	Total Hours Completed To Date	Hours Eligible for Reimbursement
1	6,947.0	6,947.0
2	5,680.3	5,562.8
TOTAL	12,627.3	12,509.8

This Agreement contains a variable training plan, which means that reimbursement will be based on the total actual number of training hours completed by each trainee between 24 and 120 class/lab training hours in Job 1; and 24 and 200 class/lab training hours in Job 2. There will be no reimbursement for any trainee who does not complete a minimum of 24 hours of training from the required curriculum.

- **PANEL MEMORANDUM (ETP 130)**

- *IN-KIND CONTRIBUTION*

When this Agreement was presented to the Panel in January 2006, the ETP130 stated that your projected total in-kind contribution will be \$123,750 on Phase 1 and \$75,000 in Phase 2. Now that the contract term has ended, Ms. Letkova reported that the actual in-kind contribution for this Agreement is \$229,067 in Phase 1 and \$154,254 in Phase 2 for trainee wages while in training.

- *CENTER-BASED TRAINING*

Your staff also reported that 100 percent of training was conducted at the training subcontractor's Los Angeles facility. The center-based training was necessary because employers lack the training facilities, equipment, or other training aids to support training. For customization of training, classes were limited to workers from companies in the television, motion picture, and video production industry.

## • INTERVIEW WITH CONTRACTOR'S REPRESENTATIVES

According to your project staff, UAW did not encounter any barriers in implementing the Agreement or any problems with the ETP recordkeeping.

Ms. Holmes reported that UAW provided training to 11 participating employers in the entertainment industry (television, motion picture, and video production). Based on surveys, the participating employers stated that they are part of a highly competitive, worldwide industry and that the ETP training helped their workers to use the latest software for computer-generated animation and special effects. The training allowed their workers to integrate computer-generated elements with live action photography and learned tools to create sophisticated and polished composed shots. She quoted the following comments from participating employers regarding the ETP program provided by UAW through its training vendor, Studio Arts:

- Harvey Holt, Vice-President-Stage Operations of CBS Television Network, stated that the outcomes of the ETP training have been extremely positive as it helped its production staff to stay current with the broadcast industry and further develop their skills to an even higher standard.
- Shish Aikat, Manager of Rhythm and Hues Studios, stated that the ETP program provided high quality training for their artists who have contributed to commercials and film projects such as The Chronicles of Narnia, The Wardrobe, etc. He stated that the company regards the ETP training as an essential tool for its artists who are competing in a very competitive industry.
- Monikalyn Hawkins, HR Director, of Asylum Visual Effects, stated that the ETP training enabled their staff to remain highly skills and competitive in the visual effects industry.

### **PROJECT STATISTICS PROVIDED BY THE CONTRACTOR:**

<b>Trainees Started Training:</b>	140	<b>Completed Training:</b>	100
<b>Trainees Enrolled:</b>	140	<b>Completed Retention:</b>	100
<b>Dropped Following Enrollment:</b>	40	<b>In Retention Period:</b>	0
<b>Currently in Training :</b>	0		

The project statistics provided during this visit matches those listed on the current ETP Contract Status Report. Since the contract term has ended, Ms. Letkova was advised that all active trainees must either be dropped or invoice for final payment at this time.

### **TRAINING RECORDS**

At the last monitoring visit, the ETP Analyst cited your staff for having two set of original attendance rosters (one kept by UAW and the other by your training vendor, Studio Arts). During this visit, the Analyst was informed that after the last visit, UAW has maintained one set of original attendance rosters, kept at the UAW facility.

Ms. Paccereilli conducted a random sampling of 12 trainees billed for Final Payment on Invoices 23 to 25 and 27. The records reviewed validated these invoices for the completion of the training hours as posted on the ETP Online Tracking System. Records reviewed also confirmed that the Agreement curriculum was provided as specified and the ratio of trainer to trainee delineated in the Agreement training plan was adhered to.

The certification statements of employers of the above trainees were also reviewed during this visit and were found to be in conformance with ETP requirements.

Your staff was advised that the above findings are based only on the training records reviewed during this visit and represent only a sample of the training records completed to date. Therefore, it is your responsibility to ensure that all training records comply with Panel requirements.

### **AUDIT**

UAW will be notified in writing if this agreement is selected for an audit that will be conducted either at your site (field audit) or by telephone if selected for a desk review. These notifications will be sent in advance to allow ample preparation time and will include a list of documentation that will be examined by the auditor. A list of the documentation typically examined during an audit will be included along with the Audit Notification and Audit Confirmation letters.

To provide support of training, original training attendance documentation is required; photocopied records are not acceptable. Listed below are types of records typically requested during an ETP field audit:

- Training attendance records such as rosters, sign-in sheets, etc.
- Payroll records of individual trainees to verify wage and hours worked
- Personnel records regarding occupation and dates of employment
- Documentation of employer paid health benefits (if applicable)
- Cash receipts to verify receipt and accounting of ETP funds

### **RECORD RETENTION**

Records must be retained within your control and be available for review at your place of business within the State of California. This responsibility will terminate no sooner than four (4) years from the date of the termination of the Agreement or three (3) years from the date of the last payment by ETP to the Contractor, or the date of resolution of appeals, audits, claims, exceptions, or litigation, whichever is later.

If you have any questions or comments regarding this report, please contact Margarita Paccereilli at (818) 755-1317 or by email at [mpaccereilli@etp.ca.gov](mailto:mpaccereilli@etp.ca.gov) within ten (10) working days from the receipt of this report.

Sincerely,

Dolores Kendrick, Manager  
North Hollywood Regional Office

Margarita M. Paccarelli, Contract Analyst  
North Hollywood Regional Office

cc: David Guzman, Chief, ETP Program Operations Division (via email)  
Kulbir Mayall, Fiscal Manager (via email)  
Audrey Holmes, UAW LETC (via email)  
Master File  
Project File

Date report mailed to Contractor \_\_\_\_\_